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10 August 1953

MEMORANDUM FOR THE ACTING DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: NM-90: Soviet Bloc Capabilities Through Mid-1955

Background

1. This estimate was scheduled for June in the program of NM's for 1953 (DAC-D-1/2, Section IV g); this deadline was reaffirmed when the program was revised at the end of the first quarter (DAC-D-1/3). It supersedes NM-65 (Part I): Soviet Bloc Capabilities Through Mid-1953, published 12 March 1952.

Substance

2. NM-90 closely follows NM-65, "Soviet Bloc Capabilities Through 1953", published 16 June 1953. It differs from that paper in that: (a) it covers a two-year rather than a four-year period; (b) it takes into account more recent information; and (c) it is accompanied by extensive Appendices setting forth the strengths and weaknesses of the Bloc.

3. Data derived from the Putilov announcements to the Supreme Soviet were available before the agency representatives had finished their meetings on this paper, but Malenkov's speech of 8 August was not. We do not believe that our basic capabilities estimates will need to be changed as a result of Malenkov's speech, though a further study of the economic data contained therein may lead to some modifications in the Appendices.

4. The following are possible reservations, or dangers, in addition to those noted in footnotes to the text:

a. State believes the paper tends to overemphasize changes in Soviet policy and uncertainties in Soviet administration.

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- b. C-2 believes that consideration has not been given to the present ticklish situation in Indonesia. Other agencies, and the Board, felt that the estimate as drafted contained all that could usefully be said at this time.

EDWARD HELLER
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